athenainsight

Today's data. Tomorrow's healthcare.

athenainsight.com

5 ways to prepare for APMs

By Clare Wrobel | November 29, 2016

There's plenty of uncertainty in healthcare today. But whatever the fate of the Affordable Care Act, the system will likely be shifting, over time, from fee-for-service to value-based compensation.

That means physicians will have to struggle with the headaches and uncertainties of alternative payment models, or APMs.

Clare A. Wrobel is director of payment reform models at the Health Care Transformation Task Force, a consortium of patients, payers, providers, and purchasers working to promote value-based, person-centered care. She leads research and provides strategic guidance on the ever-changing, acronym-filled landscape of alternative payment models, or APMs, and value-based care arrangements.

Here, Wrobel shares her top five tips for managing APMs.

1. Keep the patient at the center of the system.

This is the most important piece of the puzzle. When moving to APMs, you need to think of patients as they move through the continuum of care, understanding the total cost and total experience. A new buzzword we hear is "patient-centered," which can mean a variety of things to a variety of people and is even more difficult to measure.

The Task Force offers a comprehensive framework to support providers that are making the transition to value-based care to take the first step in asking: Exactly how person-centered is my healthcare organization? Like all aspects of transformation, you have to assess where you are now to have any idea of where you should be going.

2. Investment is necessary.

Now is the time to make capital investments and prepare for the future. Whether that means IT systems to support the transition or training members of your practice to deliver care in new ways, moving to effective value-based programs takes investment of time and resources. Getting buy-in from staff and altering their processes takes time. The current models in the market present an opportunity for providers looking to build capacity and adapt to the change while still having a safety net.

Some models for small or rural practices provide performance incentive payments to help provide some up-front capital to rework their business to meet the new demands of value-based payment.

3. Transparency is critical.

APMs are based on quality and value, but if you don't know how you compare in your market or on a national scale, you won't know where to focus on improvements. For those with an electronic health record system, you must take steps to learn how to analyze quality and utilization measures on a regular basis.

You can also ask your payers to give you information about your performance. Engage in payer-provider negotiations in new ways — such as asking payers to run claims data so you know which measures are high-performing and low-performing. This data will allow you to track progress over time. And this focus on transparency should also include patients, so that they can be fully informed partners in making decisions about their own care.

4. Consider new working partnerships with other providers and payers.

I don't necessarily mean consolidation. I mean looking for high-performing partners and forming joint ventures with more explicit responsibilities and incentives that hold everyone accountable for meeting performance targets. APMs provide an opportunity for partnering with payers in new ways. We are seeing more and more contracts that specify what the payer is responsible for and what the provider is responsible for in terms of care coordination.

This usually means that the payer is playing a bigger role in active care coordination, all in an effort to ensure the patient is getting the best care in the right setting and not ending up back in the hospital. This requires better transparency among all partners about their costs and quality.

5. Transformation takes time.

The most recent Medicare Shared Savings Program results show that the highest performers are those that started a few years ago. Accountable care organizations that started in 2012 are outperforming those that started last year. The ACOs are also increasing performance results over time — the longer you are at it, the better you do. This points to the importance of other factors, like building infrastructure and strategic partnerships. There must be a focus on testing, learning, and refining models based on these early lessons learned.

For example, the current APM parameters are not as attractive for all providers in all markets, or for providers with historically low healthcare costs. At the Task Force, we aim to design and promote models that are flexible enough so that providers in any market can build the capabilities necessary to perform well under value-based payment models.

Clare A. Wrobel is director of payment reform models at the Health Care Transformation Task Force.